

**NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**

**Financial Statements for the  
Years Ended December 31, 2014 and 2013 and  
Independent Auditors' Report**

# **NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**

## **Financial Statements for the Years Ended December 31, 2014 and 2013 and Independent Auditors' Report**

### **BOARD MEMBERS (2014)**

Kevin Allran, LAT, Chairman

Scott Barringer, LAT, Vice Chairman

Janah Fletcher, LAT, Secretary/Treasurer

Kevin Burroughs, MD

Milan DiGiulio, MD

Erin R. Hogston

Carrie Rubertino Shearer, LAT

### **EXECUTIVE OFFICER**

Paola Learoyd, Executive Director

### **LEGAL COUNSEL**

E. Ann Christian

# **NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**

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# **NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Board's financial report represents Management's analysis of the Board's financial performance during the years ended December 31, 2014 and 2013. Please read it in conjunction with the financial statements which follow this section.

### **Financial Highlights**

During 2014, the Board's net position increased by \$60,464, or 21.2%, due primarily to a consistent recurrence of revenues exceeding expenses. During 2013, the Board's net position increased by \$66,595, or 30.4%, due primarily to a consistent recurrence of revenues exceeding expenses.

During 2014, the operating revenues of the Board increased by \$9,500, or 7.9%, due primarily to an increase in license renewals. During 2013, the operating revenues of the Board increased by \$7,900, or 7.0%, due primarily to an increase in license renewals.

During 2014, the non-operating revenues of the Board increased by \$158, or 25.3%, due to an increase in cash on hand. During 2013, the non-operating revenues of the Board decreased by \$306, or 32.9%, due to a decrease in interest earnings rates.

During 2014, the operating expenses of the Board increased by \$15,789, or 28.8%, due primarily to the initial incurrence of website and website database expenses. During 2013, the operating expenses of the Board increased by \$2,573, or 4.9%, due primarily to the initial purchase of commercial insurance coverage.

### **Overview of the Financial Statements**

This financial report consists of two sections: Management's Discussion and Analysis and the Financial Statements. The Board has no other supplementary information required by Governmental Accounting Standards Board (GASB) Statement No. 34. The Financial Statements also include notes to the financial statements that provide detail of the information included in the financial statements.

### **Basic Financial Statements**

The financial statements of the Board report information about the Board using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about the activities of the Board.

The Statements of Net Position present the current and long-term portions of assets and liabilities separately.

The Statements of Revenues, Expenses, and Changes in Net Position present information on how the Board's assets changed as a result of its operations.

The Statements of Cash Flows present information on how the Board's cash changed as a result of its financial activities.

# **NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Condensed Financial Information**

The following presents condensed financial information on the operations of the Board:

	Current Year as of and for the year ended December 31, 2014	Current Year as of and for the year ended December 31, 2013
Current assets	\$ 232,217	\$ 281,628
Other assets	150,320	26,649
Total assets	<u>\$ 382,537</u>	<u>\$ 308,277</u>
Current liabilities	\$ 36,284	\$ 22,488
Total liabilities	<u>\$ 36,284</u>	<u>\$ 22,488</u>
Unrestricted net position	\$ 346,253	\$ 285,789
Total net position	<u>\$ 346,253</u>	<u>\$ 285,789</u>
Operating revenues	\$ 130,375	\$ 120,875
Operating expenses	(70,693)	(54,904)
Operating income	\$ 59,682	\$ 65,971
Non-operating revenues	782	624
Change in net position	<u>\$ 60,464</u>	<u>\$ 66,595</u>

### **Events Affecting Future Operations**

The Board has indicated it has no significant events affecting future operations which are reportable pursuant to GASB 34.

### **Contacting the Board's Management**

This financial report is designed to provide a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have any questions about this report or need additional information, contact: North Carolina Board of Athletic Trainer Examiners, P.O. Box 10769, Raleigh, NC 27605.

***Shelton L. Hawley, CPA, PA***  
**Certified Public Accountants**

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P.O. 1545  
Angier, North Carolina 27501-1545

Telephone: (919) 639-4825  
Facsimile: (919) 639-3102

**INDEPENDENT AUDITORS' REPORT**

Members of the Board  
North Carolina Board of Athletic Trainer Examiners  
Raleigh, North Carolina

***Report on the Financial Statements***

We have audited the accompanying financial statements and the related notes to the financial statements as listed in the table of contents of the North Carolina Board of Athletic Trainer Examiners (the "Board"), an independent state agency which is a nonmajor enterprise fund of the primary government of the State of North Carolina, as of December 31, 2014 and 2013.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on the audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Carolina Board of Athletic Trainer Examiners as of December 31, 2014 and 2013, and the results of its operations, changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## INDEPENDENT AUDITORS' REPORT (CONCLUDED)

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the supplementary information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance thereon.



Shelton L. Hawley, C.P.A., P.A.

Angier North Carolina

March 10, 2015

**NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**  
**STATEMENTS OF NET POSITION**  
**DECEMBER 31, 2014 AND 2013**

	<b>December 31, 2014</b>	<b>December 31, 2013</b>
	<b>Proprietary- Enterprise Fund</b>	<b>Proprietary- Enterprise Fund</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 182,176	\$ 281,628
Accrued interest receivable	5	
Investments (Note 2)	<u>50,017</u>	<u></u>
Total current assets	232,198	281,628
Other assets:		
Investments (Note 2)	\$ 150,320	\$ 26,649
Accrued interest receivable	<u>19</u>	<u></u>
Total other assets	150,339	26,649
<b>TOTAL ASSETS</b>	<u><u>\$ 382,537</u></u>	<u><u>\$ 308,277</u></u>
<b>LIABILITIES AND NET POSITION</b>		
Current liabilities:		
Accounts payable	\$ 11,634	\$ 213
Unearned revenue (Note 4)	<u>24,650</u>	<u>22,275</u>
Total current liabilities	36,284	22,488
<b>TOTAL LIABILITIES</b>	<u><u>36,284</u></u>	<u><u>22,488</u></u>
NET POSITION (Note 3)		
Unrestricted net position	<u>346,253</u>	<u>285,789</u>
<b>TOTAL NET POSITION</b>	<u><u>346,253</u></u>	<u><u>285,789</u></u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 382,537</u></u>	<u><u>\$ 308,277</u></u>

See notes to financial statements.



**NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
	<u>Proprietary- Enterprise Fund</u>	<u>Proprietary- Enterprise Fund</u>
OPERATING REVENUES:		
Revenue from fees (including late fees)	\$ 130,375	\$ 120,875
Total operating revenues	\$ 130,375	\$ 120,875
OPERATING EXPENSES:		
Contractual management services (Note 5)	\$ 25,000	\$ 25,000
Board members expenses (including hearing expenses)	1,927	2,648
Staff travel expenses	168	173
Postage	576	637
Office supplies and printing	606	61
Telephone	1,256	1,739
Legal and audit fees	23,350	22,995
Insurance expense	1,499	1,396
Website management expenses	3,798	
Computer support (database expenses)	11,057	
Storage	1,135	
Miscellaneous expenses	321	255
Total operating expenses	\$ 70,693	\$ 54,904
Operating income (loss)	\$ 59,682	\$ 65,971
NON-OPERATING REVENUES (EXPENSES):		
Interest income	782	624
Total non-operating revenues	\$ 782	\$ 624
Change in net position	\$ 60,464	\$ 66,595
Net position - beginning of year	285,789	219,194
Net position - end of year	\$ 346,253	\$ 285,789

See notes to financial statements.

**NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<b>2014</b>	<b>2013</b>
	<b>Proprietary- Enterprise Fund</b>	<b>Proprietary- Enterprise Fund</b>
Cash flows from operating activities:		
Cash received from fees and other operating income	\$ 132,750	\$ 129,775
Cash payments for operating expenses	(59,272)	(66,253)
Net cash provided by operating activities	\$ 73,478	\$ 63,522
Cash flows from investing activities:		
Transfer of certificate(s) of deposit to (from) operating account	(173,688)	(80)
Interest on investments	\$ 758	\$ 624
Net cash provided by investing activities	\$ (172,930)	\$ 544
Net increase in cash	\$ (99,452)	\$ 64,066
Cash - beginning of year	281,628	217,562
Cash - end of year	\$ 182,176	\$ 281,628
Reconciliation of operating income		
to net cash provided by operating activities:		
Operating income (loss)	\$ 59,682	\$ 65,971
Adjustments to reconcile operating income		
to net cash provided by operating activities:		
Changes in assets and liabilities:		
Accounts payable	\$ 11,421	\$ (11,349)
Unearned revenue	2,375	8,900
Total adjustments	\$ 13,796	\$ (2,449)
Net cash provided by operating activities	\$ 73,478	\$ 63,522

See notes to financial statements.

**NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

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Note 1 - Nature of Activities and Significant Accounting Policies

**Description of Organization**

The North Carolina Board of Athletic Trainer Examiners (the "Board") is an independent State agency. It is an occupational licensing board and is authorized by Chapter 90 of the North Carolina General Statutes. The Board is composed of seven members who are appointed by the Governor and the General Assembly of the State of North Carolina. It is a nonmajor enterprise fund of the primary government of the State of North Carolina and is reported as such in the State's Comprehensive Annual Financial Report (CAFR).

The Board is established to maintain minimum standards for services provided by athletic trainers.

The Board's operations are financed with self-generated revenues from fees charged to licensees.

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards.

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Reporting Entity**

The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America (GAAP), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. The accompanying financial statements present all funds and activities for which the Board is responsible.

For financial reporting purposes, the Board is a nonmajor enterprise fund of the primary government of the State of North Carolina and is reported as such in the State's Comprehensive Annual Financial Report (CAFR). These financial statements for the Board are separate and apart from those of the State of North Carolina and do not present the financial position of the State nor changes in the State's financial position and cash flows.

**NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

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Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

**Basis of Accounting**

In accordance with *Statement of Governmental Accounting Standards 34*, the Board herewith presents Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows. These statements reflect entity-wide operations of the Board. The Board has no fiduciary funds or component units.

The Statements of Revenues, Expenses, and Changes in Net Position demonstrate the degree to which the direct expenses of the Board are offset by license fees.

The financial statements report all activities of the North Carolina Board of Athletic Trainer Examiners using the economic resource measurement focus and the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized when incurred, if measurable, regardless of the timing of cash flows.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Board. Operating revenues consist primarily of license fees. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Non-operating revenues and expenses consist of those revenues and expenses that are related to investing, capital, and non-capital financing activities; and are classified as non-operating in the financial statements.

**Cash and Cash Equivalents**

This classification includes undeposited receipts, petty cash, checking accounts and time deposits (excluding certain certificates of deposit, if any) held by the Board.

**Investments**

The Board is authorized to invest idle funds in accordance with North Carolina General Statutes. This classification consists of certain certificates of deposits held by the Board for investment. Investments generally are reported at fair market value. Certificates of deposit are reported at cost (which is the same as fair value) if purchased in the primary certificate of deposit market, and at fair value if purchased in the secondary certificate of deposit market (as determined by quoted market prices). The net increase (decrease) in the fair value of investments for certificates of deposit is recognized as a component of investment interest income.

**Fair Value of Financial Instruments**

The carrying amounts of the Board's financial instrument's approximate their fair value.

**NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

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Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

**Income Taxes**

The Board is a nonmajor enterprise fund of the primary government of the State of North Carolina and is exempt from federal and state income taxes.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Deposits and Investments

**Deposits**

All of the Board's deposits which are uninsured are uncollateralized [unless collateralized pursuant to NC Administrative Code (20 NCAC 7)] by the financial institution holding said deposits. For deposits, custodial credit risk is the risk that in the event of the failure of the depository (or counterparty), the Board will not be able to recover the value of its deposits that are in the possession of the outside party. The Board does not have formal policies regarding custodial credit risk for deposits.

At December 31, 2014, the Board's deposits had a carrying amount of \$382,513 and a bank balance of \$385,863, which was covered by federal depository insurance. Certificates of deposit in the amount of \$200,337 are considered time deposits for this disclosure and are classified as investments on the Statements of Net Position. At December 31, 2013, the Board's deposits had a carrying amount of \$308,277 and a bank balance of \$314,797, which was covered by federal depository insurance. Certificates of deposit in the amount of \$26,649 are considered time deposits for this disclosure and are classified as investments on the Statements of Net Position.

**Investments**

At December 31, 2014 and 2013, the Board had the following investments and maturities.

Investment Type	December 31, 2014			December 31, 2013		
	Fair Value	3-12 Months	Over 12 Months	Fair Value	3-12 Months	Over 12 Months
Certificate of Deposit	\$ 200,337	50,017	\$ 150,320	\$ 26,649	-	\$ 26,649
Total	\$ 200,337	\$ 50,017	\$ 150,320	\$ 26,649	\$ -	\$ 26,649

**NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

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Note 2 - Deposits and Investments (Continued)

**Risk Disclosures**

Interest rate risk - As a means of limiting its exposure to fair value losses arising from interest rate variances, the Board limits its investments, if any, to certificates of deposits with maturities of no more than 24 months.

Credit risk - Investments of the Board are subject to the statutory requirements of North Carolina General Statutes, however the Board's present policy for managing credit risk is to limit its investments to certificates of deposits.

Custodial credit risk - For deposits and investments, custodial credit risk is the risk that in the event of the failure of the depository (or counterparty), the Board will not be able to recover the value of its deposits and investments that are in the possession of the outside party. The Board does not have formal policies regarding custodial credit risk for deposits and investments. Federal depository insurance is discussed in the preceding section.

**Reconciliation of Deposits and Investments**

A reconciliation of deposits and investments for the Board to the basic financial statements at December 31, 2014 and 2013, is as follows:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Carrying Amount of Bank Deposits	\$ 182,176	\$ 281,628
Certificates of Deposit	<u>200,337</u>	<u>26,649</u>
Total Deposits and Investments	<u><u>\$ 382,513</u></u>	<u><u>\$ 308,277</u></u>
Current:		
Cash and Cash Equivalents	\$ 182,176	\$ 281,628
Investments	50,017	
Noncurrent:		
Investments	<u>150,320</u>	<u>26,649</u>
Total Deposits and Investments	<u><u>\$ 382,513</u></u>	<u><u>\$ 308,277</u></u>

**NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

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Note 3 - Net Position

Investment in capital assets- This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any loan proceeds that are attributable to the acquisition, construction, or improvement of those capital assets. The Board had no investment in capital assets.

Restricted net position - This component of net position consists of net position which the Board is legally or contractually obligated to spend in accordance with restrictions imposed by external parties. The Board had no restricted net position.

Unrestricted net position - This component of net position consists of net position that does not meet the definition of *restricted net position or investment in capital assets*.

Note 4 - Unearned Revenue

The Board's fees are assessed and collected on a fiscal year basis, which corresponds with the Board's accounting period. Licenses are renewed for a period of one fiscal year. License renewal fees received in the latter part of the fiscal year are unearned and recognized as revenue over the one year period to which they relate.

Note 5 - Contractual Management Services

The Board does not have any employees. The Board contracts with a management consultant service to provide services for the Board. The contract includes all services related to the process of licensure application and renewal and various other secretarial duties. The Board also reimburses the management service for miscellaneous office supplies and expenses. Payments to the management service totaled \$25,056 during the fiscal year ended December 31, 2014. Payments to the management service totaled \$26,082 during the fiscal year ended December 31, 2013.

Note 6 - Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are handled by participation in certain state-administered risk programs and self retention of certain risks. Additionally, the Board protects itself from exposure to potential loss through the purchase of commercial insurance coverage.

Note 7 - Contingencies

***Disciplinary Hearings***

The Board is involved in occasional disciplinary hearings throughout the year which arise in the ordinary course of its operations. In the opinion of management of the Board, the results of such actions during the years under audit do not materially affect the Board's operations, changes in financial position, or cash flows for the years herein ended.

**NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

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Note 8 - Subsequent Events

Subsequent events have been evaluated through March 10, 2015, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

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The audit required 30 audit hours at a cost of \$3,495.